

INFORMATIONAL HEARING and SITE VISIT
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Application for Certification for) Docket No.
San Gabriel Generating Station) 07-AFC-2
)
_____)

VICTORIA GARDENS CULTURAL CENTER
CELEBRATION HALL
12505 CULTURAL CENTER DRIVE
RANCHO CUCAMONGA, CALIFORNIA 91739

FRIDAY, JULY 6, 2007

4:25 P.M.

Reported by:
Troy Ray
Contract Number: 170-07-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

James D. Boyd, Presiding Member

Jackalyne Pfannenstiel, Associate Member

HEARING OFFICER and ADVISORS PRESENT

Paul A. Kramer, Jr., Hearing Officer

Peter Ward, Advisor to Presiding Member Boyd

Panama Bartholomy, Advisor to Associate Member
Pfannenstiel

STAFF AND CONSULTANTS PRESENT

Kevin W. Bell, Staff Counsel

Stanley Yeh, Siting Project Manager

PUBLIC ADVISER

Nicholas O. Bartsch

APPLICANT

Scott Galati, Attorney
Galati and Blek, LLP

Mike Alvarado, Energy Director
Bob Lawhn, Director
Reliant Energy

Anne Connell, Senior Project Engineer
Denise Heick
URS Corporation

ALSO PRESENT

Michael L. TenEyck
Community Development
City of Rancho Cucamonga

ALSO PRESENT

William J. Perez, Executive Secretary/Business
Manager
Riverside and San Bernardino Counties Building
and Construction Trades Council, AFL-CIO

Belkis J. Behar
ProMed Interpreting and Translating Services

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

I N D E X

	Page
Proceedings	1
Introductions	1,2
Opening Remarks	1
Presiding Member Boyd	1
Hearing Officer Kramer	4
Public Adviser	11
Presentations	16
Applicant	16
CEC Staff	23
Issues Identification Report	33
Schedule	38
Applicant Response	40
Public Comment	45
Adjournment	50
Reporter's Certificate	51

P R O C E E D I N G S

4:25 p.m.

PRESIDING MEMBER BOYD: Good afternoon, ladies and gentlemen; and welcome to the public site visit and informational hearing for the San Gabriel Generating Station application before the California Energy Commission.

I'm Commissioner Jim Boyd; I'm the Presiding Member of the Siting Committee that was selected by the Commission for this particular siting case. And I'm joined on my right here, two chairs over, by the Chairman of the Energy Commission, Jackalyne Pfannenstiel, who in this case is the Associate Member of this Siting Committee.

To her right is her Advisor, Panama Bartholomy; and to my left is my Advisor, Peter Ward.

I don't have too much more to say today other than words of welcome. And you will hear a lot about the Energy Commission's siting process and procedures from staff members as we go through this presentation.

Those of you with experience with siting committees in the past know that we have hearing

1 officers for these cases. And we let them do most
2 of the work.

3 So, Mr. Paul Kramer, on my immediate
4 right, Mr. Paul Kramer, Esquire, is our Hearing
5 Officer for this case. And I'm going to turn this
6 microphone over to him and let him finish the
7 introductions and be the master of ceremonies for
8 the presentations. Mr. Kramer.

9 HEARING OFFICER KRAMER: Thank you, Vice
10 Chairman Boyd. To finish the introductions we'll
11 let the parties and others who are here introduce
12 themselves. People from agencies who want to
13 introduce themselves to the group here.

14 Let's begin with the applicant, Mr.
15 Galati.

16 MR. GALATI: Yes, my name is Scott
17 Galati representing Reliant Energy on the San
18 Gabriel Generating Station.

19 MR. LAWHN: And I'm Bob Lawhn with
20 Reliant Energy. I'm the Director of Environmental
21 Compliance for our western operations.

22 MS. HEICK: And I'm Denise Heick with
23 URS; we're under contract to Reliant to prepare
24 the AFC.

25 MS. CONNELL: And I'm Anne Connell, and

1 I also work with URS preparing the AFC.

2 HEARING OFFICER KRAMER: Is there anyone
3 else in the audience you want to introduce?

4 MR. GALATI: We have some other members
5 in the audience. I think at this time what we'll
6 probably do is if they need to speak we'll
7 introduce them then, thank you.

8 HEARING OFFICER KRAMER: Okay. Staff.

9 MR. YEH: My name is Stan Yeh; I'm the
10 Siting Project Manager for the Energy Commission.

11 MR. BELL: And my name is Kevin W. Bell;
12 I'm Staff Counsel with the California Energy
13 Commission.

14 HEARING OFFICER KRAMER: Thank you. Is
15 there anyone in the audience who wants to
16 introduce themselves? Do we have any
17 representatives of local government? Seeing none.

18 PRESIDING MEMBER BOYD: There is a
19 gentleman here.

20 HEARING OFFICER KRAMER: Oh, I'm sorry.

21 MR. TenEYCK: Michael TenEyck with the
22 City of Rancho Cucamonga.

23 HEARING OFFICER KRAMER: Okay. When
24 people introduce themselves, if you could spell
25 your name; and also if you have a card, give it to

1 the court reporter. He'll spell it correctly then
2 in the transcript.

3 MR. TenEYCK: Last name is TenEyck,
4 T-e-n-E-y-c-k.

5 HEARING OFFICER KRAMER: Thank you.
6 Anyone else?

7 We also have a representative from the
8 Public Adviser's Office here with us today. Mr.
9 Bartsch, do you want to introduce yourself.

10 MR. BARTSCH: Nick Bartsch, Public
11 Adviser's Office. And we're here to assist the
12 public (inaudible).

13 HEARING OFFICER KRAMER: Okay, I don't
14 think the transcript got that, but you'll be
15 making a presentation in a little while, so we'll
16 go over --

17 MR. BARTSCH: Yes.

18 HEARING OFFICER KRAMER: -- go over that
19 again then.

20 We are here today to provide information
21 about the proposed power plant, to describe the
22 Commission's licensing process, and to provide
23 information to the public on opportunities to
24 participate in that process.

25 There's several documents at the back

1 table that you might find to be of interest. One
2 of the key documents we'll be talking about today
3 is the staff's issues identification report.
4 We'll be getting into that towards the end of our
5 work today.

6 If you'd like to speak today during the
7 public comment session, if you can fill out a blue
8 card that Mr. Bartsch has, that would be helpful.
9 It's not required that you do so, but it'll help
10 us organize the order of the speakers, so we can
11 have one topic after another, if you are
12 interested in a particular topic.

13 By way of background, the applicant in
14 this case is the San Gabriel Power Generation
15 Limited Liability Corporation. It's a subsidiary
16 of Reliant Energy.

17 On April 13 of this year it submitted an
18 application for certification, which we commonly
19 call an AFC, to construct and operate the San
20 Gabriel Generating Station project, which would be
21 a 656 megawatt combined cycle power plant on the
22 existing Etiwanda Generation Station property,
23 which is also owned by Reliant Energy. And that's
24 located at 8996 Etiwanda Avenue. It's the place
25 where we visited earlier today.

1 I'll leave it to the staff and the
2 applicant to give you further details in their
3 presentations which will come in a few minutes.

4 The Energy Commission has exclusive
5 jurisdiction to license this project. In other
6 words, it won't be getting any city permits. We
7 issue those in lieu of the city permits. And we
8 are considering the proposal under our 12-month
9 for due process.

10 Notice of today's events was mailed on
11 June 13th to all the parties, adjoining
12 landowners, interested government agencies and
13 other individuals. And I believe it was a couple
14 weeks ago it was published in The Inland Valley
15 Daily Bulletin.

16 And, again, just before this meeting we
17 had a site visit to see the proposed location for
18 the project.

19 Today's hearing is the first in a series
20 of Commission events that will extend over the
21 next year or so. This Committee will eventually
22 conduct hearings and issue a proposed decision
23 about the application which will be a
24 recommendation to the full five-member Energy
25 Commission. But it's that five-member Energy

1 Commission, two of the members which are here
2 today, who will make a final decision on the
3 application.

4 There will be additional opportunities
5 for the parties and governmental agencies to
6 discuss the issues of the project with the public.
7 Those will occur in public workshops that are held
8 by the staff. They may be at locations in this
9 area or, depending on the degree of local interest
10 in the issue, itself, they may occur up in
11 Sacramento. But generally speaking, if they do
12 something in Sacramento they'll have a telephone
13 call-in number so people down here can listen in
14 and participate.

15 The Committee's proposed decision must,
16 by law, be based solely on the evidence that's
17 given at that evidentiary hearing that is
18 somewhere down the road at this point.

19 To insure that that happens and to
20 preserve the integrity and impartiality of the
21 Commission's licensing process, the Commission's
22 regulations and state law prohibit private
23 contacts between the parties or the public, and
24 the Committee members or their Advisors.

25 The name for this rule is the ex parte,

1 translated it means roughly one-sided rule. That
2 means that all discussions with the Committee
3 about a substantive matter must occur in the
4 context of a public meeting such as this, or in
5 the form of a written community, or with a written
6 summary of an oral communication that can be
7 shared with everyone.

8 The purpose of the rule is to provide
9 full disclosure to all the participants of any
10 information that may be used as a basis for the
11 future decision on the project.

12 It is okay, though, to talk about
13 procedural matters. So if somebody's trying to
14 find out when a hearing is going to be, or we're
15 talking about picking a date for a hearing, that's
16 not substantive, and those discussions will
17 generally occur privately between people like
18 myself and the lawyers for the applicant and the
19 staff.

20 Information about these other
21 communications between the parties and
22 governmental agencies will be contained in written
23 reports or letters that summarize them. These
24 reports and letters are distributed to the parties
25 and are generally made available to the public on,

1 for example, the Commission's internet website.

2 If you have access to the internet it's
3 a great way to keep track of this case, to get
4 copies of the documents that you want to see. And
5 one way to do that, Mr. Bartsch will talk a little
6 bit more about it later, is to get on the mailing
7 list, emailing list for the project, where you
8 will receive various notices as they come out.

9 But also, as I said, the Commission's
10 website is a very valuable resource. There's a
11 home page for this project and all the other
12 projects that we're considering now and have
13 considered in the recent past. So you can go to
14 that page and then drill down to look at
15 documents. For instance, the application is
16 currently up there now. The notice of this
17 hearing.

18 Down the road there will be a lot more
19 documents exchanged back and forth between the
20 staff and the applicant. And there'll be a
21 preliminary and final staff analyses. You can get
22 those there.

23 And then you can also, if you're curious
24 and you want to compare, you can look at other
25 cases and see how they were handled.

1 So, again, it's a great place to go if
2 you have that ability. The address for the page
3 will be on Mr. Yeh's presentation. It's also on
4 the notice of this hearing. And you can see one
5 of us to get that if you need us to repeat it for
6 you, after today's meeting, for instance.

7 The application for certification
8 process is a public proceeding in which members of
9 the public and interested organizations are
10 encouraged to actively participate and express
11 your views on matters that are relevant to the
12 project.

13 Members of the public are also eligible
14 to intervene in the proceeding. And that's to
15 participate in a more formal way. And if anybody
16 is interested in doing that, we encourage you to
17 file your petition to intervene soon so that you
18 can start to participate in the action, the
19 exchanges of information that are going to start
20 occurring fairly soon. If you wait until the end
21 of the process, the process is very unlikely to
22 stop and wait for you to catch up. So, if you
23 want to participate you're better off starting
24 now.

25 At this time we'll ask Mr. Bartsch from

1 the Public Adviser's Office to provide a little
2 better explanation of that process, and to explain
3 to you how he can help you participate. And also
4 the efforts that have been made thus far to get
5 word about this project and this meeting out to
6 the public and interested agencies.

7 MR. BARTSCH: Thank you, Mr. Kramer,
8 Commissioners, members of the audience. Nick
9 Bartsch, the Public Adviser's Office of the
10 California Energy Commission. Our main role and
11 purpose at the Energy Commission is to make sure
12 that the public has an opportunity to be informed
13 and participate in this, what we call the siting
14 process.

15 As Mr. Kramer said, if you have an
16 interest in the project you can start out by, of
17 course, signing in on our attendance sheet, which
18 will automatically put you, if you check the right
19 box, on the interested parties.

20 But you can also go to our website,
21 which has a dedicated webpage for this particular
22 project. And the yellow flyer over there that
23 describes the project, itself, has an email
24 address and directions how you can log on and
25 reach that particular address. You'll be able to

1 find -- or email address -- you'll be able to find
2 all the information and the important key dates,
3 all the information, access to all the documents
4 and all the public information about this
5 particular project.

6 Again, you can also -- there's also a
7 place where you can sign up electronically on the
8 list server that's attached to that particular
9 site.

10 Or if you don't have computer
11 capabilities, you can get on our mailing list and
12 receive all the information via mail.

13 But whichever way you are interested in
14 participating or getting information, our goal is
15 to make sure that all those who are interested are
16 well informed and have an opportunity to access
17 all of the information that's available about this
18 case. We're there to answer questions for you.

19 We are also there to help you
20 participate either informally or, as Mr. Kramer
21 just said, formally as an intervenor. And the
22 earlier you make that decision in the process to
23 participate formally, the better.

24 You must do it prior to what's called
25 the evidentiary hearing, which is toward the end

1 of the process. By participating -- deciding to
2 participate early you have the benefit of having
3 all the information for most of the duration of
4 this case, rather than trying to come in at a
5 later date where you would really need to be
6 catching up.

7 So I would encourage you to, if you want
8 to participate, to decide to do so early. We're
9 here to help you, either with just the information
10 or with the formal participation of intervening,
11 in which case you have to petition this Committee
12 for intervening. We can help you with the
13 petition process. We, however, cannot represent
14 you. You will have to either represent yourself
15 or you can have legal representation. However you
16 do not have to have an attorney to participate.
17 You can represent yourself.

18 So that's the process. I'd be happy --
19 I'm stationed back here with all the information
20 and -- I'd be happy to answer questions for you
21 and help you with any information or anything
22 about the process that you wish to know.

23 Just very briefly I also wanted to give
24 you a sense of our outreach, the other thing we do
25 at the Public Adviser's Office. We make sure that

1 the public gets to know about these public
2 processes. And the first step in this one-year
3 process is the informational hearing and the site
4 visit.

5 And well before these two events, we
6 started our outreach to the community. We
7 determined the range; we usually look at a one-
8 mile range and a six-mile range around the
9 proposed site.

10 We identify the residential areas; we
11 also identify what we call sensitive receptors.
12 These could be businesses or individuals or
13 entities that could potentially be impacted more so
14 than others. These include schools, churches,
15 health facilities, other care facilities, et
16 cetera.

17 And we identify these facilities. We
18 found 156 of them in a six-mile radius. We
19 notified all of them. And we also notified 20
20 public officials, the county supervisors, as well
21 as city council members in the cities of Rancho
22 Cucamonga, Fontana and Ontario. These are within
23 a six-mile radius.

24 In addition, we reached out and notified
25 environmental organizations, the Native American

1 Heritage Commission, and also business
2 organizations and chambers within the six-mile
3 radius.

4 We also did some outreach to the media.
5 We had -- some of you might have seen, we had a
6 full-page ad in The Inland Valley Bulletin, the
7 June 29th issue, in the city news section, both in
8 Spanish and in English, about these two events
9 today.

10 In addition to that we sent out notices
11 to all the sensitive receptors, the officials; and
12 also we contacted seven radio stations, both
13 Spanish and English language; and also four tv
14 stations in the area, which agreed to do public
15 service announcements of these events.

16 So, we hop that we covered the bases in
17 trying to maximize publicity for these events. Of
18 course, sometimes the Fourth of July weekend, that
19 interferes with it. Maybe people had some other -
20 - it's hard for me to imagine, but perhaps they've
21 had some better things to do than sitting in a
22 power plant meeting.

23 However, we want to make sure that
24 anybody and everybody who's interested in this
25 process, in this particular project, gets the

1 information.

2 So, I'll be stationed back there, so
3 through the process or at the end if you have any
4 questions I'll be happy to answer and provide
5 information for you.

6 Thank you very much.

7 HEARING OFFICER KRAMER: Thank you.

8 We'll now ask the parties to make their
9 presentations in the following order. First, the
10 applicant will describe the proposed project.
11 Then Commission Staff will describe the
12 Commission's licensing process and staff's role in
13 reviewing the project.

14 Then we will have questions and
15 presentations, if there are any, from interested
16 agencies. And then we'll move to a discussion of
17 scheduling and the issues that are described in
18 the staff's issues identification report.

19 And finally, members of the public will
20 be able to offer their comments and ask any
21 questions that they want to ask.

22 Are there any questions about the order
23 of presentations? Seeing none, we'll begin with
24 the applicant.

25 MR. LAWHN: Good afternoon, again. I'm

1 Bob Lawhn from Reliant Energy, Director of
2 Environmental Compliance for our western
3 operations. Again, let me welcome all of you to
4 Rancho Cucamonga and the site of our proposed San
5 Gabriel Generating Station.

6 I'd like to first say a little bit about
7 Reliant Energy. We're a provider of electric
8 power, as well as energy-related products and
9 services to over 1.9 million customers, both
10 retail and wholesale, throughout the U.S.

11 We're actually a fairly old company. We
12 began in 1903 as Houston Lighting and Power
13 Company and have grown into a national company
14 from there. My point I think I want to make is
15 we've got a long-standing of tradition and history
16 of operating, maintaining and building power
17 plants.

18 We currently have 16,000 megawatts of
19 generation around nine states in the U.S. from the
20 east coast to California; 11,000 of that is gas-
21 fired. And of that, 3700 megawatts is combined
22 cycle, as we are proposing for the San Gabriel
23 project.

24 In California we have five power plants
25 composing 3400 megawatts; 500 megawatts is

1 combined cycle, and that exists at the Cool Water
2 Plant in Daggett. And we've been here since 1998
3 when we purchased the plants from Southern
4 California Edison when they divested their assets.

5 It's no secret, I think, to any of us
6 that California needs energy. Recently the --
7 well, actually more than a couple years ago the
8 South Coast Air Quality Management District opened
9 its rule related to its priority reserve,
10 recognizing and acknowledging the need to make
11 those credits available to enable the development
12 of new generation in the southern California area.

13 Cal-ISO has, of course, identified a
14 critical need in southern California. There is a
15 long-standing state policy that encourages new
16 generation to be developed in concert with
17 developments and upgrades in the transmission grid
18 system. And as you'll see later, that's exactly
19 what San Gabriel is designed to do.

20 San Gabriel Generating Station would be
21 nominally a 650 megawatt, gas-fired, combined
22 cycle facility. As you saw earlier today, it's
23 located at the site of Reliant Energy's Etiwanda
24 Generating Station here in Rancho Cucamonga.

25 It's currently scheduled for commercial

1 operation in July of 2010. The design of the
2 plant essentially replicates an existing Reliant
3 combined cycle plant in Nevada that has operated
4 very reliably since 2004.

5 The location of this plant provides a
6 number of environmental and operational benefits
7 that I'll go into further on. And we are
8 currently participating in the Southern California
9 Edison's request for offer for new generation.

10 This is the plot plan of the site
11 showing the new plant would be located in
12 basically the back side of Reliant's property,
13 surrounded by Southern California Edison's
14 property and some property owned by Inland Empire.

15 This is a conceptual view of what the
16 plant basically would look like. Fairly low-
17 profile facility and the air-cooled condenser in
18 the front, toward the existing units. The Edison
19 property's in the back. The two large tanks are
20 owned by the Inland Empire Utility agency, which
21 you saw earlier.

22 Also, as you saw, the location is a
23 brownfield site in an industrial area. The site,
24 of course, is supporting 640 megawatts of
25 capacity. It's been designated as local resource

1 adequacy requirement. And that infrastructure
2 exists there to support that level of megawatts.
3 So we're talking about another 600 megawatts. But
4 the infrastructure to support 600 megawatts is
5 there.

6 There's existing water and gas supply.
7 There's a wastewater discharge system, and access
8 to the site and site control. This site has been
9 designated for some time as being a premium
10 location by the Cal-ISO and load-serving entities
11 in southern California for reliability.

12 The electrical interconnection would be
13 immediately adjacent to the site in the Edison's
14 new Rancho Vista Substation. That substation is
15 due to be completed in 2009. And one of the
16 advantages is we have scheduled this plant to come
17 on right after that facility is developed and is
18 completed.

19 We will be using best available control
20 technology for air emissions. We will be
21 completely offsetting all air emissions. The air-
22 cooled condenser would provide a dry cooling,
23 which conserves water. The process water and
24 makeup needs will be met through the use of the
25 existing reclaimed water system that exists. The

1 reclaimed water comes from the Inland Empire
2 Utility agency.

3 And the plant will comply with all local
4 noise ordinances. It will not need any additional
5 offsite development of water, gas or transmission
6 facilities. We're simply tapping into what's
7 going to be there, and what already exists. Any
8 wastewater discharge will take place through the
9 existing municipal discharge system, which is also
10 Inland Empire.

11 As you saw today there are a limited
12 number of nearby residents. And due to its
13 profile and its location, it's going to have very
14 minimal visual impact.

15 So, in summary, this project is designed
16 to meet the critical need for new generation in
17 southern California. It's located at a site
18 that's very critical to reliability of the
19 transmission grid. Located at an existing site
20 within an industrial area.

21 It will minimize environmental impacts
22 by using that existing infrastructure; benefit the
23 local community by adding tax revenue, job
24 opportunities.

25 If there are any questions I'd be glad

1 to answer them. That completes my brief
2 presentation.

3 HEARING OFFICER KRAMER: Yeah, one
4 question. I read in the application that you need
5 to add .8 acres from, I believe it's the Inland
6 Water agency's property to yours to complete your
7 site. When would that occur? After you're
8 approved or --

9 MR. GALATI: Actually probably -- we're
10 continuing to work on it now. We do have a letter
11 of intent with them. We have begun negotiations.
12 Originally we were going to purchase the property,
13 and now we're going to be using an easement, since
14 that portion of the property will be used just for
15 the transmission line.

16 So, when those negotiations changed into
17 an easement scenario, it took a little bit of the
18 timeline off of us having to do any sort of parcel
19 splits and things like that.

20 So, we will have that easement in place
21 prior to licensing.

22 HEARING OFFICER KRAMER: Okay, that'll
23 change the project description a little bit.
24 We'll just have to keep track of that.

25 MR. GALATI: Yeah, I thought we caught

1 it all with the supplement, because it came up in
2 data adequacy. We may have missed a slip page or
3 two.

4 HEARING OFFICER KRAMER: I don't think
5 I've read into the supplement yet.

6 MR. GALATI: Yeah, we modified that.

7 HEARING OFFICER KRAMER: Any other
8 questions from the Committee?

9 Okay, staff.

10 MR. YEH: My name is Stan Yeh with the
11 Energy Commission. I'm the Siting Project Manager
12 for this project, and I'll give you an overview of
13 the licensing process.

14 The purpose of the siting process is to
15 insure that a reliable supply of electrical energy
16 is maintained at a level consistent with the need
17 for such energy for protection of public health
18 and safety, for promotion of the general welfare
19 and for environmental quality protection.

20 The Energy Commission has permitting
21 authority for all power plants that are at least
22 50 megawatts and above; and also for any related
23 facilities to the project, including transmission
24 lines or water and gas lines. And also access
25 roads.

1 And also the Energy Commission is the
2 lead state agency for the California Environmental
3 Quality Act.

4 There are three steps in the licensing
5 process. The first is data adequacy. And this is
6 when the Energy Commission Staff will thoroughly
7 review the application to see if it has met all
8 the requirements for the Commission to accept the
9 application.

10 Second, we go to staff discovery and
11 analysis. In staff discovery we have the issues
12 identification. We issue a identification report
13 to identify basically any initial topics of
14 concern that we have at this stage in the process.

15 After that comes data requests. The
16 Energy Commission Staff will require or request
17 additional information that will help them
18 complete the analysis.

19 After the applicant responds to the data
20 requests, we typically will have public workshops
21 so that comments be provided from the public and
22 the applicant, and also to clarify any remaining
23 issues.

24 Shortly after that we will -- the Energy
25 Commission Staff will produce the staff

1 assessment. It will come as preliminary and
2 final. The preliminary is basically sort of a
3 draft version. We will publicly circulate that.
4 And we will take comments from the public, from
5 local, state and federal agencies, and the
6 applicant, as well. And after we incorporate all
7 those comments, we will produce a final staff
8 assessment.

9 Basically the purpose of the staff
10 assessment is to determine if the applicant's met
11 all, or the proposal from the applicant has met
12 all laws, ordinances, regulations and standards.
13 Also identifying the issues, whether any
14 mitigation measures are necessary to look at
15 alternative proposals or sites. Also to recommend
16 any additional certification.

17 After we complete the staff assessment
18 we will make recommendations to the Committee,
19 which they're here today, which is Commissioner
20 Pfannenstiel and Boyd.

21 This is sort of just a short diagram I'm
22 going to show you, how the discovery analysis
23 process looks. The key player here is the Energy
24 Commission Staff. We have the staff assessment
25 and testimony, and we incorporate comments from

1 the applicant and local, state and federal
2 agencies, the public and any intervenors, as
3 applicable.

4 Example of local, state and federal
5 agencies. Locally we have the City of Ranch
6 Cucamonga, the County of San Bernardino, South
7 Coast Air Quality Management District.

8 At the state level we have the Air
9 Resources Board, Office of Historic Preservation,
10 Department of Fish and Game, and also the Regional
11 Water Quality Board at Santa Ana.

12 And at the federal level the
13 Environmental Protection Agency, the Fish and
14 Wildlife Service and the Army Corps of Engineers.

15 The third step of the process is
16 evidentiary hearing and decision. The Committee
17 will conduct an evidentiary hearing; and they will
18 produce a Presiding Member's Proposed Decision,
19 which looks at environmental impacts, public
20 health, engineering. Determines whether it has
21 complied with all laws, ordinances, regulations
22 and standards. Also will recommend conditions of
23 certification and whether the project should be
24 approved or not.

25 The Presiding Member's Proposed Decision

1 will go before the full Commission for a decision.
2 And if it is approved, the Energy Commission will
3 monitor the compliance with all of the conditions
4 of certification for the life of the project,
5 including after it's closure.

6 This is just a short diagram similar to
7 the previous one of the evidentiary hearing
8 process. And here basically the key player here
9 is the Committee and the full Commission, showing
10 incorporates staff testimony, applicant's, as
11 well, and again the local, state and federal
12 agencies, public comments and any intervenors
13 applicable.

14 For the public to participate you may
15 provide oral comments at the public meetings and
16 the workshops. Also, you can submit written
17 comments to the Commission. You can provide
18 comments on both the preliminary and the final
19 staff assessments, and also the Presiding Member's
20 Proposed Decision.

21 You can also become a formal intervenor.
22 You can contact Nick Bartsch, who gave you a
23 presentation earlier today.

24 Workshops and hearings are typically
25 noticed ten days in advance. You can also request

1 to be added to the mailing list. The list server
2 there, the address and also any PowerPoints that
3 you have hard copies. You can go to that list
4 server; I'll have a webpage just after this to
5 show you an example of that.

6 You can also, if you are in the
7 Sacramento area, there are documents available for
8 review at the Energy Commission. And also from
9 the Energy Commission website.

10 Locally we have in the Cities of Fontana
11 and Ontario, Rancho Cucamonga, San Bernardino and
12 Upland, we have documents in those public
13 libraries.

14 Here is an example of the list server
15 page. The address is at the top there. This will
16 show you just exactly what it looks like. There's
17 four simple steps to the left there. Basically
18 you can enter an email address in the yellow box
19 there and you can click on San Gabriel and
20 basically subscribe. Any documents or anything
21 that gets uploaded to the website, you'll get a
22 notification of that.

23 Also, this is -- just to show you the
24 actual San Gabriel Generation Station webpage. It
25 will show you any updates, figures and maps.

1 Again, any documents that we have. Also you can
2 find information about the public process, site
3 process in general, Public Adviser's Office.

4 At this point in the licensing process
5 we're at the -- we're still in the discovery
6 phase. We just issued the identification report,
7 just on June 29th. The purpose, again, is to just
8 bring up any initial topics of concern.

9 The criteria we use is significant
10 impacts that may be possibly difficult to
11 mitigate; if there's any noncompliance at this
12 point with laws, ordinances, regulations and
13 standards; and if there's any conflicts that might
14 exist between parties about appropriate findings
15 or any possible conditions of certification that
16 will affect the Commission decision process.

17 Two areas that --

18 HEARING OFFICER KRAMER: Actually, hold
19 that slide and we'll get to that in a minute.

20 MR. YEH: Okay.

21 HEARING OFFICER KRAMER: First want to
22 see if there were any questions from the
23 Committee? Then the next step was to see if there
24 are any presentations or questions from any of the
25 agencies who are present. The City?

1 Okay, now we'll -- well, one thing I
2 guess I want to point out, because I've seen
3 confusion in some past cases, if you're used to
4 city or county permitting processes for big
5 projects, you're going to be looking for an EIR at
6 some point. And that's what you want to look at
7 to learn about the environmental impacts.

8 Well, we don't issue an EIR, as such.
9 Just to make the point again, the staff
10 assessments that Mr. Yeh spoke of, those take the
11 place of an EIR. So don't sit around waiting for
12 an EIR to drop on your desk because you'll be
13 around forever. Take a look at the staff
14 assessments. They do what an EIR does, and a lot
15 more, because they also, they do the other parts
16 that a local agency staff report would take care
17 of, you know. Analyzing the zoning and those
18 sorts of things.

19 So now it's time to talk about -- did
20 you have a question?

21 PRESIDING MEMBER BOYD: Are you going to
22 move to his presentation?

23 HEARING OFFICER KRAMER: Yes.

24 PRESIDING MEMBER BOYD: I do have a
25 question about the project, and I just want to

1 make an observation for the audience's benefit.

2 Mr. Kramer talked about the ex parte
3 contact, or ex parte communication contact issue
4 that we, as the Committee, are faced with. It
5 also means that prior frankly to today we can't
6 talk to our staff, either, without them addressing
7 us in formal written materials or in these public
8 hearings.

9 So I need to ask the staff a question
10 about some of the materials that I read in advance
11 of this, in this forum. And it's almost maybe a
12 typo, but in some documents we refer to a steam
13 generator rated at 340 megawatts. In other
14 documents there's reference to a 330 megawatt
15 steam generator.

16 So I'd just like to set the record
17 straight. Which is it? Or maybe the project
18 proponent has to answer that.

19 MR. YEH: I believe it's a 340; it's
20 possibly a typo. Apologize for that.

21 PRESIDING MEMBER BOYD: Okay,
22 eventually, I guess, we need to straighten that
23 out for the record, if nothing else.

24 MR. GALATI: I apologize, I don't have
25 an answer right now. But I will file something

1 after this, probably next week, answering that
2 question.

3 PRESIDING MEMBER BOYD: Thank you.

4 HEARING OFFICER KRAMER: Yeah, I think I
5 noticed that, too, when I was trying to write our
6 notice. And it's probably even more complicated
7 than that, because the 656 megawatt number we're
8 talking about is the nominal number. And as I
9 understand it, that's all of the generating, of
10 the two turbines and the steam generator. But
11 then you subtract the electricity that never makes
12 it off the site because they use a lot of power to
13 pump water for the cooling system and all that
14 sort of thing.

15 So I think it's good to ask the staff to
16 get that straight. And maybe show us that
17 calculation so we can see how it breaks down, down
18 the road.

19 PRESIDING MEMBER BOYD: Well, we either
20 have 700 megawatts or 690 megawatts. But it's a
21 nominal, or --

22 HEARING OFFICER KRAMER: Right.

23 PRESIDING MEMBER BOYD: -- rated at 656
24 megawatts, which gets to the point you just
25 raised.

1 HEARING OFFICER KRAMER: Yeah, because
2 it's dry cooled, or air cooled, it probably is
3 using more power than some other electrical plants
4 do, because they have to run more fans to move air
5 across the cooling system.

6 Okay, so now let's move to the issues
7 identification report. So, go ahead.

8 MR. YEH: For air quality and electrical
9 transmission system engineering are the two areas
10 that we identified initially.

11 And for air quality the applicant
12 attempting to use the South Coast Air Quality
13 Management District's priority reserve program to
14 reduce their project emissions for particulate
15 matter. And currently that program is going
16 through a revisions with hearings scheduled for
17 July 13th.

18 So, based on the outcome of that
19 decision may affect the applicability for this
20 project. So we're waiting for that information.

21 Also, for nitrogen oxide and also
22 volatile organic compounds and sulfur oxide
23 emission reductions, they're attempting to receive
24 trade credits and reduction credits from these.
25 And we're just waiting to have some kind of a

1 verification and proof that during operation they
2 will actually have this. We're just waiting on
3 that information.

4 For the electrical transmission system
5 impact study is one that usually gets completed
6 for all the proposals, and at this point it hasn't
7 been submitted yet. And we're calling that issue
8 out just because we don't have it at this point.

9 But it's an important tool to evaluate
10 whether any new generation that gets generated by
11 the proposed plant keeps the regional transmission
12 system reliable. And also identifies any costs
13 associated with any type of upgrades that will be
14 needed with this.

15 HEARING OFFICER KRAMER: Are you done?

16 MR. YEH: I have the schedule now.

17 HEARING OFFICER KRAMER: Okay. Before
18 you do that, we have a question.

19 ASSOCIATE MEMBER PFANNENSTIEL: Stan, on
20 the transmission system impact study, wouldn't
21 that normally -- or why wouldn't that be a data
22 adequacy question? Why did you decide that that
23 was something that you would accept the
24 application for filing, even though that wasn't
25 available?

1 MR. YEH: I believe it was because it
2 usually takes, I believe, 30 days from when the
3 applicant files the application. I'm unsure of
4 this, maybe I'll -- answer at this point when it
5 was actually filed, we were under the impression
6 that it was on the way.

7 I don't believe that that's specifically
8 called out under data adequacy, as if we have to
9 actually have it to call it out --

10 ASSOCIATE MEMBER PFANNENSTIEL: Mr.
11 Galati.

12 MR. GALATI: Actually what happened is
13 when the siting regulations were recently changed,
14 the requirement was changed to have applicants,
15 since the process has changed by which system
16 impact studies are done, is that you have to show
17 proof that you have signed and executed an
18 agreement to have the study completed. And that
19 is now the data adequacy requirement.

20 Ours is underway and it's almost
21 complete. And we're continuing to work with Cal-
22 ISO.

23 I think one of the things that makes it
24 maybe a little bit more of discussion back and
25 forth between us and Cal-ISO is we're trying to

1 take advantage of a transmission system upgrade at
2 the same time. So that, I think, has certainly
3 maybe delayed our system impact study.

4 We do recognize that it's an important
5 portion for staff for two reasons. One, not only
6 to get Cal-ISO's blessing that the project can
7 safely interconnect, but also if there are any
8 offsite or downstream mitigation measures that
9 might have environmental impacts.

10 We're not anticipating any of those.
11 And we will get it to staff as soon as we can. We
12 think that will be fairly quickly.

13 ASSOCIATE MEMBER PFANNENSTIEL: One
14 other question. On the South Coast priority
15 reserve, I understand and I noted in the issue
16 report, there is the lawsuit still pending.

17 Will that affect the schedule for this
18 proceeding?

19 MR. GALATI: Here's as I understand it.
20 The lawsuit is pending on the September 8, 2006
21 rule amendment, which is currently still in
22 effect.

23 And the lawsuit alleges a couple of
24 things, most notably that that approval process
25 did not comply with CEQA. The South Coast relied

1 on the California Energy Commission early
2 activities exemption for power plants. And in
3 response to a demurrer the judge said he didn't
4 believe that that exemption was applicable.

5 So, the case has been set for a hearing
6 on July 23rd. What the South Coast has done is
7 they've further amended the rules actually; I'm
8 not counting, but it was 11 times between
9 September 8th till now. The current version which
10 they have done a complete CEQA analysis on that
11 version.

12 So, one possible outcome if on July 13th
13 they vote to amend the rule in accordance with
14 staff, they will also be certifying the
15 environmental document. And South Coast believes
16 that makes the lawsuit moot. And doesn't stop a
17 new lawsuit, but the lawsuit being -- the current
18 lawsuit deals with amendments that would no longer
19 be effective.

20 So, that's a possible outcome.

21 ASSOCIATE MEMBER PFANNENSTIEL: So, if
22 that is the outcome we'll know all of that by the
23 end of this month?

24 MR. GALATI: That's correct. We think
25 that July 13th is the board meeting that it's

1 scheduled for approval of both of those things,
2 both the CEQA document --

3 ASSOCIATE MEMBER PFANNENSTIEL: So if
4 that is not the outcome, then we'll have to wait
5 and see what -- schedule, yes.

6 MR. GALATI: That's correct. We would
7 hope the Energy Commission would write another
8 letter that got them to get to this point.

9 ASSOCIATE MEMBER PFANNENSTIEL: Thank
10 you.

11 HEARING OFFICER KRAMER: Were you
12 finished then, Mr. Yeh?

13 MR. YEH: Sure. Just the schedule --

14 HEARING OFFICER KRAMER: Okay. Go
15 ahead.

16 MR. YEH: Up to this point you can see
17 the highlighted portion, we're up to the hearing
18 today, on July 6th.

19 Next, we're still in the staff discovery
20 phase, so the next item that comes up is the fling
21 of data requests. At the time that I finalized
22 this presentation we had a July 9th. Looks like
23 it will probably be somewhere in the middle of
24 next week being filed.

25 So, but since we are -- we have about,

1 say 65 requests or so, which we believe are quite
2 comprehensive and we think that will not require
3 additional two or three rounds of data requests.
4 So we believe that it will stay within this
5 schedule.

6 You'll see here that the Commission
7 actually made the determination on data adequacy
8 on the 23rd. And we're looking at possible
9 Commission decision on the 22nd of May of next
10 year. So that'll keep us within that 12-month
11 schedule.

12 Just this slide shows things that we
13 considered in this, also taking into account that
14 we have a high power plant siting workload, and
15 sort of limited staff at the moment, we believe
16 it's subject to that schedule. Again, it shows
17 that we have the 65 information requests and we
18 think we can stay within that schedule.

19 This also assumes that the applicant
20 will be able to respond very responsive in a
21 timely manner. And also the situation at the Air
22 Quality Management District; and I think they can
23 give us their determination of compliance on time.
24 And if there's any other determinations, I think
25 if made by local, state or federal agencies, as

1 long as those are all within the schedule, we
2 think we can make it within the 12 months.

3 That's my last slide, contacts.

4 HEARING OFFICER KRAMER: Okay. If
5 somebody wants to get this information from you
6 they can see you afterwards.

7 MR. YEH: Yes. And those are just two
8 contacts for the applicant. But there's more
9 individuals here if you'd like to speak with them.

10 HEARING OFFICER KRAMER: Okay. Thank
11 you. Does the applicant want to respond to that
12 schedule on the issues identification report?

13 MR. GALATI: Yes. There's a couple of
14 things. And I think I've already answered the
15 questions on the issues identification report.
16 And we think that those are issues and we're going
17 to continue to work closely with staff and the
18 South Coast to resolve those.

19 We'll know after July 13th where we
20 stand and we understand that South Coast has taken
21 the position in the past in projects I'm working
22 on where they will not issue documents until this
23 rule amendment is done. So from San Gabriel's
24 standpoint we're in good position because
25 hopefully this will be done soon and won't delay

1 our PDOC.

2 With that being said, there have been
3 many applicants, including projects that I've
4 worked on, where I have come to the Committee to
5 try to revise schedules recently. This is
6 becoming a recurring theme.

7 I don't like to do that, because I don't
8 want to waste the Committee's time. The
9 Committee's doing quite a few cases and working on
10 quite a few things.

11 One thing that would be helpful with
12 this schedule in my mind, is to not have a hard
13 date for the PDOC, but to have that be a sliding
14 date, and to have the preliminary staff assessment
15 float 30 days after the issuance of the PDOC.

16 That way if, for example, the project
17 gets a PDOC prior, that staff could continue and
18 begin working on the PSA. Or if the PDOC, which
19 is more likely the case, slips we don't have to
20 come back for a schedule change.

21 So, my recommendation would be to put a
22 floating schedule in like "n" for number of days
23 at the local, state and federal agency level. And
24 then at the PSA say, and plus 30.

25 And then the same thing with the FDOC,

1 put in, you know, another variable; and put the
2 FSA at n-plus 30, or whatever it is.

3 That way, in my experience, those are
4 the documents that are critical path that are very
5 difficult for us to anticipate what day they come
6 out. So didn't want to have to come to the
7 Committee should they either come out before or
8 after.

9 There's also something I'm obliged to
10 mention, which is this is the first application
11 that has been accepted as data adequacy under the
12 new siting regulations. And many of the new
13 siting regulations were -- excuse me, the new data
14 adequacy regulations, many many subject areas.

15 The requirements were substantially
16 beefed up to require applicants to provide more
17 information today or in data adequacy. And the
18 stated purpose and the primary purpose was to
19 avoid multiple rounds of data requests.

20 So, while I recognize there are a lot of
21 projects that are in front of the Energy
22 Commission at this stage, wanted to take advantage
23 with this, if the PDOC were to come out, that
24 staff would work very diligently, hopefully not
25 having to go through several rounds of data

1 requests, since we've already provided that
2 information.

3 We think that the issues identification
4 report not identifying a bunch of different
5 issues, we think is because the application was so
6 complete.

7 The second thing that I wanted to make
8 sure is there's also a significant resource
9 problem going on at the Energy Commission. And we
10 just wanted to make the Committee aware that it's
11 something that we would hope could be taken care
12 of.

13 Now, we certainly can't make a finite
14 number of people do more than they can handle.
15 But, you know, applicants now pay a pretty
16 significant fee to have an application in front of
17 the Energy Commission. And we would hope that the
18 Energy Commission would continue to authorize
19 additional contracting for services during this
20 time of incredible need.

21 We are starting to approach timeframes
22 where projects primarily were delayed a lot in the
23 South Coast area because of the South Coast Air
24 Quality Management District amendment process,
25 which took over a year.

1 Well, we're at the stage now where I
2 think many applicants, including this one, will be
3 asking you to process quickly. Delays because of
4 resources are going to be very difficult and
5 probably will come back with motions to the
6 Committee.

7 So, we don't know what else we can do,
8 but we would like for something to be done. I
9 don't know if it is hiring more reviewers, hiring
10 more writers, but we would just urge the Committee
11 to take that back to the Commission. Because it's
12 going to be harder and harder to have delays due
13 to resource adequacy.

14 Other than that we support the schedule
15 as written, other than those two changes to allow
16 the PDOC and FDOC dates to flow.

17 HEARING OFFICER KRAMER: Thank you. Let
18 me ask Mr. Yeh then to respond to the floating
19 dates proposal.

20 MR. YEH: To me I think that would be
21 fine so we can tentatively schedule that.

22 HEARING OFFICER KRAMER: Thank you. Any
23 more questions for either party?

24 Okay, seeing none, we will then jump to
25 the questions and comments from the public. As a

1 reminder, when you speak we need you to come up to
2 this microphone here.

3 This is a good time in this review
4 process for you to tell the Committee, and
5 especially the staff and the applicant, if you
6 have any particular concerns about this project so
7 that they can make sure that their report tries to
8 address those concerns.

9 So, did we have any blue cards? Did you
10 bring them up yet?

11 MR. BARTSCH: No, no one filled out --

12 HEARING OFFICER KRAMER: Okay.

13 MR. BARTSCH: We have some cards here,
14 but no --

15 HEARING OFFICER KRAMER: Right, then by
16 a show of hands, does anybody wish to make a
17 public comment? Sir, come forward.

18 MR. PEREZ: Thank you. My name is Bill
19 Perez, P-e-r-e-z. I'm the Business Manager for
20 the San Bernardino and Riverside Counties Building
21 and Construction Trades Council.

22 I have a couple of questions about the
23 manpower. One, specifically about the estimated
24 manpower from the applicant, in terms of
25 construction needs. Do you have an estimate on

1 that?

2 MR. LAWHN: It's about 1000 employees at
3 the peak, peak of construction.

4 MR. PEREZ: The estimated date for start
5 is fall of 2008. Is that still a fair estimate?

6 MR. LAWHN: For construction start, yes.
7 Approximately September of 2008.

8 MR. PEREZ: Okay. And has there been a
9 selection of an EPC, or is it still --

10 MR. LAWHN: No, there hasn't been a
11 selection yet.

12 MR. PEREZ: Thank you. Will there be
13 any specific security requirements for the
14 construction employees, background checks, et
15 cetera, because it is an operating facility?

16 MR. LAWHN: You mean for the permanent
17 employees of the operating plant?

18 MR. PEREZ: No, for the construction
19 employees working adjacent to an operating
20 facility.

21 MR. LAWHN: Oh, I see what you mean.

22 MR. GALATI: Yeah, we, in our AFC, --

23 MR. PEREZ: -- security problems --

24 MR. GALATI: -- in the worker safety
25 section, we identified that we will be having a

1 plan with an egress limited to certain numbers of
2 employees to access the laydown areas.

3 So, whether or not there will be
4 background checks, I don't know, and I can't say
5 at this time. But I do know that when we prepared
6 the AFC there was a representative of Reliant who
7 talked about preparing the security plan for that
8 exact purpose.

9 MR. PEREZ: Okay.

10 MR. GALATI: So your recommendation
11 would be to have background checks for each
12 employee? Is that your recommendation?

13 MR. PEREZ: No, that's not my
14 recommendation. I didn't know if there was going
15 to be a policy in place. If there is any specific
16 requirements for the construction employees, since
17 the Building Trades Unions that I represent, their
18 members have been required to do that. We would
19 like for them to be prepared ahead of time to have
20 their people prepared to take the calls out to the
21 facility.

22 MR. GALATI: What Unions do you
23 represent?

24 MR. PEREZ: I represent the 14
25 construction unions in the area.

1 MR. GALATI: Are you guys members of
2 CURE, the California Unions for Reliable Energy?

3 MR. PEREZ: The Building Trades Council
4 is not. Some of the unions that are members of
5 the Building Trades Council, I believe, are.

6 In looking at the map on the laydown
7 yard for the construction employees parking, it
8 appears there's only one entrance. And that
9 entrance is going to be going across a railroad
10 crossing with a gate. What is the estimated
11 volume of rail traffic there? Is it pretty
12 minimal? Is it delivery one?

13 MR. GALATI: You know what, it's pretty
14 minimal and I can't remember from the AFC, but I
15 think we said one train an hour. Something like
16 one train an hour.

17 MR. PEREZ: My thinking is we're going
18 to have 1000 people coming in and out in the
19 morning and in the afternoon. If you've ever been
20 on a large construction job, 1000 construction
21 guys don't drive slowly off the site.

22 And I do worry if a train was to back up
23 and cover the only entrance into the construction
24 employee parking, that could create some problems
25 for the project, itself. So, --

1 MR. GALATI: I appreciate that heads-up,
2 because we are going to be preparing, as part of
3 the Energy Commission mitigation process, they
4 require a construction traffic control plan. And
5 that is one of the areas that we're dealing with.
6 And also we're checking with the CPUC as to what
7 sort of crossing arms and how that has to operate.
8 And that's something that we are going to continue
9 to design through the process.

10 MR. PEREZ: Thank you. That's all I
11 have.

12 HEARING OFFICER KRAMER: Thank you.
13 Anyone else with a public comment? Going once, --

14 Okay, well, we have no current petitions
15 to intervene that I'm aware of. Again, if you're
16 a member of the public and interested in doing
17 that, we encourage you to do so right away.

18 So, the next order of business for the
19 Committee will be to issue a scheduling order
20 based on the information we've received today.

21 Does any party wish to make final
22 remarks? No? Committee? No?

23 PRESIDING MEMBER BOYD: No. I'm
24 interested in n-plus-30, but that's just to do
25 with a new twist for us.

1 HEARING OFFICER KRAMER: Okay, well,
2 with no further business to conduct, this hearing
3 is now adjourned. Thank you all for attending and
4 thanks to the City for providing the space at the
5 behest of the applicant.

6 (Whereupon, 5:25 p.m., the informational
7 hearing was adjourned.)

8 --o0o--

CERTIFICATE OF REPORTER

I, TROY RAY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Informational Hearing; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, nor in any way interested in outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of July, 2007.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345